

The decision of the Minister of Economy
No. (103) for the year 2012

Regarding the contribution of foreign joint ventures,
branches and representative offices of foreign companies in
Libya

Minister of Economy:

- After reviewing the Constitutional Declaration issued on 03/08/2011.
- And the decision of the Transitional National Assembly No. (174) for the year 2011 on determining the structure of government.
- And the decision of the Transitional National Assembly No. (184) for the year 2011, on the adoption of the transitional government.
- Law No. (7) For the year 2004 on tourism and its implementing regulations.
- Law No. (9) for the year 2010 on the promotion of investment and its implementing regulations.
- Law No. (11) For the year 2010 on the capital market.
- Law No. (12) for the year 2010 on the issuance of the Labour Relations Act and its implementing regulations.
- Law No. (15) for the year 2010 on the lease and its implementing regulations.
- Law No. (23) for the year 2010 on a business.
- And the Statute of the Interim National Council.

- The General People's Committee decision No. (544) for the year 2010 promulgating the list and classification under Tools implementation.

Decide
Chapter I
Joint ventures

Article (1)

Subject to the unity of purpose and specialization, the establishment of joint companies between the natural and legal Libyan persons and natural of Legal foreign, according to their specialization in the restricted official registrations in the country where their headquarters is located in , after taking permission from the Minister of Economy. In a condition that the joint venture is not holding company.

The company's chairman must be of Libyan.

Article (2)

The joint ventures Companies take the form of joint stock company in accordance with the provisions of the law business number (23) for the year 2010, but at least its capital paid a million dinar at or three-tenths of equity capital subscribed, whichever is greater.

The joint venture may also take the form of a limited liability company for foreign natural persons, but at least the capital in this case shouldn't be less than fifty thousand dinars. And these companies may be engaged in economic activities in all fields in Libya, according to the legislations, except in specific areas mentioned in article (6) of this resolution.

Article (3)

the contribution of foreigners in the capital of the company throughout the duration of the contract term May not exceed (65%) sixty- five per cent.

However, for special considerations regarding the nature of the activity or the location or technical requirements, and for a decision of the Minister of Economy to exceed the contribution of the foreign partner's share but should not exceed (80%) eighty per cent.

Article (4)

The request of contracts establishing joint ventures must accompanied by the following documents:

- 1) Decision of the Board of Directors of the company's national and foreign approval to contribute to the establishment of the joint venture company and the value of their contribution to it.
- 2) A copy of the of establishment contract of national and foreign Companies.
- 3) Updated Extract of the national and foreign companies in the Commercial Register, or its substitute.
- 4) Statement issued by a bank operating in Libya shows the amount paid of capital amount which must be paid from, so that not less than three-tenths of equity capital, and showing the foreign partner has transferred his cash share of the company's capital to Libya.
- 5) Evidence to show evaluation and providence of shares in accordance with the provisions of Article (104) of Law No. (23) for the year 2010, whether this provided by the national partner or foreign partner. The documents referred to in item (1-2-3) of this Article, must be certified by the official authorities in the host country for the foreign partner, and the Libyan embassy or its substitute in those States and to be legally translated to Arabic in Libya.

In the event that the foreign partner is a natural person, he must meet the following conditions:

Identification proof by a valid passport.

Proof of legal age required to practice commercial activity according to the law of personal status.

Should not have been convicted of a felony or misdemeanor involving moral turpitude and honesty unless he has been rehabilitated.

Should not be declared bankrupt unless rehabilitated.

Must submit a statement issued by a bank operating in Libya stating that he fully paid the full share in the equity capital.

In case of a share in-kind; it shall be made and assessed in-kind in accordance with the provisions of Article (104) of Law number (3) / 2010 and provided that the equipments be subject to the new Share.

Article (5)

The joint Ventures companies involved in should adhere in the conduct of their business to the following conditions:

1. Transfer and share of knowledge and technology.
2. Development of annual programs for the training of national employment in the professions occupied by foreign elements.
3. Development of annual programs to bring national labor replaces foreign labor.
4. Use of equipment, machinery, raw materials, production supplies available in the local market.

Article (6)

Prohibits the establishment of joint companies for the conduct of the activities contained in the following items, and confine these activities to the Libyan people and not others:

Activity inspections on all goods supplied and exported and must prior permission from the Minister

1. Retail and wholesale trade.
2. Import.
3. Catering services.
4. Commercial agencies of all types and areas.
5. Road transport services.
6. Activity inspections on all goods supplied and exported and must prior premonition from the Minister.
7. Activity handling, shipping and air discharge ports.
8. Auditing and financial advisory and legal.
9. Activity packaging.
10. Cutting Woods (stones)(quarries).
11. Construction works and civil works including the construction activities for contract which a value less than (30,000,000) LYD.
12. Any other areas which limited to the Libyans under existing laws.

Must prior permission from the Minister

Chapter II

Branches of foreign companies

Article (7)

For foreign companies after taken permission of the Minister of Economy can open branches in Libya in the areas specified in Article (9) of this resolution provided that the Company is not part of joint venture operating in the same field or activity, and the duration of the work of the Branch is five years, subject to renewal.

Article (8)

The request must be accompanied by the permission set in the preceding article provide the following documents:

1. Decision of the Board of Directors includes approval to open a branch of the company in Libya, stating the following:
 - A. Determine the activity of the branch, in condition to be among the activities that may be authorized for branches of foreign companies in Libya
 - B. The amount allocated for the establishment of the branch and its departments, provided not less than (250,000) LYD.
 - C. Rename the branch manager and his deputy, with one being Libya.
2. A copy of the Memorandum and Articles of Association, and the last annual budget approved.
3. The company's experience and classification.
4. Updated Extract of the foreign company in the Commercial Register, or its substitute.

5. Affirmation by the foreign company to prepare an annual budget of the branch, and a special account for profits and losses to reflect the financial position in Libya.
6. Certificate issued by bank operating in Libya, showing that the company transferred its due part to Libya and provide bank account statement certified from the bank concerned.

Article (9)

I the areas and activities that the foreign companies to open branches in Libya are identified as follow:

First, the field of construction and civil works: -

1. Building and construction.
2. Roads and building bridges and dams.
3. Marine structures such as setting up jetties and breakwaters and the establishment of Shipyards and storage vessels and deepening ports.
4. Establishment of airports and airstrips.
5. Railway tracks and the establishment of stations..

Second, the field of electricity: -

1. Establishment and maintenance of power plants and stations, and stations of reducing and raising efforts of various kinds.
2. Establishment and maintenance of networks of cables for power transmission.
3. Construction of desalination plants based on thermal methods and membranes

Third, the oil field: -

1. Oil exploration, including surveys of various layers by geological, geophysical and geochemical means and others.

2. Examination and analysis of data and provide geological and reservoir studies.
3. Oil drilling, maintenance and installation services and maintenance of oil drilling equipment, pumps, submersible and submerged.
4. Works and services mud and drilling fluids.
5. The establishment of reservoirs and pipelines and pipeline transfer stations, pumping oil and gas, maintenance and protection.